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UTILITY PATENT APPLICATION TRANSMITTAL (Only for new nonprovisional applications under 37 C.F.R. § 1.53(b))	**Attorney Docket No.** 1800-002A
	First Inventor or Application Identifier Bruce Bent
	Title Money Fund Banking System with Multimple Banks. .
	Express Mail Label No. EL467166232US

APPLICATION ELEMENTS
See MPEP chapter 600 concerning utility patent application contents.

ADDRESS TO: Assistant Commissioner for Patents
Box Patent Application
Washington, DC 20231

1. ✔ * **Fee Transmittal Form** (e.g., PTO/SB/17) (Submit an original and a duplicate for fee processing)

2. ✔ **Specification** [Total Pages 11] (preferred arrangement set forth below)
   - Descriptive title of the Invention
   - Cross References to Related Applications
   - Statement Regarding Fed sponsored R & D
   - Reference to Microfiche Appendix
   - Background of the Invention
   - Brief Summary of the Invention
   - Brief Description of the Drawings (if filed)
   - Detailed Description
   - Claim(s)
   - Abstract of the Disclosure

3. ✔ **Drawing(s)** (35 U.S.C. 113) [Total Sheets 4]

4. **Oath or Declaration** [Total Pages 2]
   a. ✔ Newly executed (original or copy)
   b. ☐ Copy from a prior application (37 C.F.R. § 1.63(d)) (for continuation/divisional with Box 16 completed)
      i. ☐ DELETION OF INVENTOR(S) Signed statement attached deleting inventor(s) named in the prior application, see 37 C.F.R. §§ 1.63(d)(2) and 1.33(b).

*NOTE FOR ITEMS 1 & 13: IN ORDER TO BE ENTITLED TO PAY SMALL ENTITY FEES, A SMALL ENTITY STATEMENT IS REQUIRED (37 C.F.R. § 1.27), EXCEPT IF ONE FILED IN A PRIOR APPLICATION IS RELIED UPON (37 C.F.R. § 1.28).

5. ☐ Microfiche Computer Program (Appendix)

6. Nucleotide and/or Amino Acid Sequence Submission (if applicable, all necessary)
   a. ☐ Computer Readable Copy
   b. ☐ Paper Copy (identical to computer copy)
   c. ☐ Statement verifying identity of above copies

ACCOMPANYING APPLICATION PARTS

7. ☐ Assignment Papers (cover sheet & document(s))

8. ☐ 37 C.F.R.§3.73(b) Statement (when there is an assignee) ☐ Power of Attorney

9. ☐ English Translation Document (if applicable)

10. ☐ Information Disclosure Statement (IDS)/PTO-1449 ☐ Copies of IDS Citations

11. ☐ Preliminary Amendment

12. ✔ Return Receipt Postcard (MPEP 503) (Should be specifically itemized)

13. ✔ * Small Entity Statement(s) (PTO/SB/09-12) ☐ Statement filed in prior application, Status still proper and desired

14. ☐ Certified Copy of Priority Document(s) (if foreign priority is claimed)

15. ✔ Other: a check for $ 355.00

16. **If a CONTINUING APPLICATION**, check appropriate box, and supply the requisite information below and in a preliminary amendment:
   ☐ Continuation   ☐ Divisional   ☐ Continuation-in-part (CIP)   of prior application No: _____/_____
   Prior application information: Examiner _____   Group / Art Unit: _____

For CONTINUATION or DIVISIONAL APPS only: The entire disclosure of the prior application, from which an oath or declaration is supplied under Box 4b, is considered a part of the disclosure of the accompanying continuation or divisional application and is hereby incorporated by reference. The incorporation can only be relied upon when a portion has been inadvertently omitted from the submitted application parts.

17. CORRESPONDENCE ADDRESS

☐ Customer Number or Bar Code Label (Insert Customer No. or Attach bar code label here)   or ✔ Correspondence address below

Name	Hopgood, Calimafde, Kalil & Judlowe, L.L.P.			
Address	60 East 42nd Street			
City	New York	State	NY	Zip Code 10165
Country	USA	Telephone	(212) 551-5000	Fax (212) 949-2795

Name (Print/Type)	Bradley N. Ruben	Registration No. (Attorney/Agent)	32,058
Signature	*Bradley N. Ruben*	Date	2 October 2000

PTO/SB/17 (12/99)
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FEE TRANSMITTAL
for FY 2000

Patent fees are subject to annual revision.
Small Entity payments __must__ be supported by a small entity statement,
otherwise large entity fees must be paid. See Forms PTO/SB/09-12.
See 37 C.F.R. §§ 1.27 and 1.28.

Complete if Known	
Application Number	NA
Filing Date	NA
First Named Inventor	Bruce Bent
Examiner Name	NA
Group / Art Unit	NA

TOTAL AMOUNT OF PAYMENT | ($) **355.00**

Attorney Docket No. | 1800-002A

METHOD OF PAYMENT (check one)

1. ☐ The Commissioner is hereby authorized to charge indicated fees and credit any overpayments to:

Deposit Account Number: **08-2776**

Deposit Account Name: **Hopgood, Calimafde, Kalil & Judlwe, LLP**

☑ Charge Any Additional Fee Required Under 37 CFR §§ 1.16 and 1.17

2. ☑ Payment Enclosed:
☑ Check ☐ Money Order ☐ Other

FEE CALCULATION

1. BASIC FILING FEE

Large Entity		Small Entity		Fee Description	Fee Paid
Fee Code	Fee ($)	Fee Code	Fee ($)		
101	690	201	345	Utility filing fee	355.00
106	310	206	155	Design filing fee	
107	480	207	240	Plant filing fee	
108	690	208	345	Reissue filing fee	
114	150	214	75	Provisional filing fee	

SUBTOTAL (1) | ($) **355.00**

2. EXTRA CLAIM FEES

	Extra Claims		Fee from below	Fee Paid
Total Claims	8	-20** = 0	X 9 =	0
Independent Claims	2	-3** = 0	X 40 =	0
Multiple Dependent			=	

**or number previously paid, if greater; For Reissues, see below*

Large Entity		Small Entity		Fee Description
Fee Code	Fee ($)	Fee Code	Fee ($)	
103	18	203	9	Claims in excess of 20
102	78	202	39	Independent claims in excess of 3
104	260	204	130	Multiple dependent claim, if not paid
109	78	209	39	** Reissue independent claims over original patent
110	18	210	9	** Reissue claims in excess of 20 and over original patent

SUBTOTAL (2) | ($) **0**

FEE CALCULATION (continued)

3. ADDITIONAL FEES

Large Entity		Small Entity		Fee Description	Fee Paid
Fee Code	Fee ($)	Fee Code	Fee ($)		
105	130	205	65	Surcharge - late filing fee or oath	
127	50	227	25	Surcharge - late provisional filing fee or cover sheet.	
139	130	139	130	Non-English specification	
147	2,520	147	2,520	For filing a request for reexamination	
112	920*	112	920*	Requesting publication of SIR prior to Examiner action	
113	1,840*	113	1,840*	Requesting publication of SIR after Examiner action	
115	110	215	55	Extension for reply within first month	
116	380	216	190	Extension for reply within second month	
117	870	217	435	Extension for reply within third month	
118	1,360	218	680	Extension for reply within fourth month	
128	1,850	228	925	Extension for reply within fifth month	
119	300	219	150	Notice of Appeal	
120	300	220	150	Filing a brief in support of an appeal	
121	260	221	130	Request for oral hearing	
138	1,510	138	1,510	Petition to institute a public use proceeding	
140	110	240	55	Petition to revive - unavoidable	
141	1,210	241	605	Petition to revive - unintentional	
142	1,210	242	605	Utility issue fee (or reissue)	
143	430	243	215	Design issue fee	
144	580	244	290	Plant issue fee	
122	130	122	130	Petitions to the Commissioner	
123	50	123	50	Petitions related to provisional applications	
126	240	126	240	Submission of Information Disclosure Stmt	
581	40	581	40	Recording each patent assignment per property (times number of properties)	
146	690	246	345	Filing a submission after final rejection (37 CFR § 1.129(a))	
149	690	249	345	For each additional invention to be examined (37 CFR § 1.129(b))	

Other fee (specify) _____

Other fee (specify) _____

* Reduced by Basic Filing Fee Paid

SUBTOTAL (3) | ($)

SUBMITTED BY

			Complete (if applicable)		
Name (Print/Type)	Bradley N. Ruben	Registration No. (Attorney/Agent)	32,058	Telephone	(212) 551-5000 x 4081
Signature	*Bradley N. [signature]*			Date	2 October 2000

WARNING:

Information on this form may become public. Credit card information should not be included on this form. Provide credit card information and authorization on PTO-2038.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicants	:	Bruce Bent; Bruce Bent II
Serial No.	:	
Filing Date	:	
Title of Invention	:	**MONEY FUND BANKING SYSTEM WITH MULTIPLE BANKS AND/OR RATES**
Attorney Docket	:	1800-002A

VERIFIED STATEMENT (DECLARATION) CLAIMING SMALL ENTITY under 37 C.F.R. 1.27(b) AS INDEPENDENT INVENTOR

Bruce Bent and Bruce Bent II, applicants of the above-referenced application, hereby each separately declares that I am an independent inventor as defined in 37 CFR 1.9(c) for purposes of paying reduced fees under section 41(a) and (b) of Title 35, United States Code, to the Patent and Trademark Office with regard to the above entitled invention.

I have not assigned, granted, conveyed, or licensed and is under no obligation under contract or law to assign, grant, convey, or license, any rights in the invention to any person who could not be classified as an independent inventor under 37 CFR 1.9(c) if that person had made the invention, or to any concern which would not qualify as a small business concern under 37 CFR 1.9(d) or a nonprofit organization under 37 CFR 1.9(e).

I acknowledge the duty to file, in this application or patent, notification of any change in status resulting in loss of entitlement to small entity status prior to paying, or at the time of paying, the earliest of the issue fee or any maintenance fee due after the date on which status as a small entity is no longer appropriate. (37 CFR 1.38(b))

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application, any patent issuing thereon, or any patent to which this verified statement is directed.

Date: ___9/21/00___   _____
                                                    Bruce Bent

Date: ___9/21/00___   _____
                                                    Bruce Bent II

DECLARATION AND POWER OF ATTORNEY FOR PATENT APPLICATION

As a below named inventor, I hereby declare that:

My residence, correspondence address, and citizenship, are as stated below next to my name and signature.

I believe I the original, first, and sole inventor (if only one name is below) or an original, first, and joint inventor (if more than one name is below) of the subject matter which is claimed and for which a patent is sought on the invention entitled **MONEY FUND BANKING SYSTEM WITH MULTIPLE BANKS AND/OR RATES**, the specification of which is filed herewith.

I hereby state that I have reviewed and understand the contents of the above-identified specification, including the claims, as amended by any amendment referred to above.

Priority Claim: I hereby claim priority under 35 U.S.C. § 119, § 120, § 121, and/or § 365 as applicable to the following application(s): serial number 09/176,340, filed 21 October 1998.

I acknowledge the duty to disclose information which is material to the examination of this application in accordance with Title 37, Code of Federal Regulations, §1.56(a). Insofar as the subject matter claimed herein was not disclosed in said prior U.S. application(s) commensurate with 35 U.S.C. 112, ¶ 1, I acknowledge the duty under § 1.56(a) to disclose such information occurring between the filing date of said application(s) and the instant application.

POWER OF ATTORNEY: As a named inventor, I hereby appoint the following attorneys to prosecute this application and transact all business in the U.S. Patent and Trademark Office connected therewith, Hopgood, Calimafde, Judlowe & Mondolino LLP, a firm consisting of Roy C. Hopgood, Reg. No. 15,245; John M. Calimafde, Reg. No. 16,895; Stephen B. Judlowe, Reg. No. 21,049; Francis J. Murphy, Reg. No. 24,537; Dennis J. Mondolino, Reg. No. 27,148; Ira B. Winkler, Reg. No. 29,223;

James M. Bollinger, Reg. No. 32,555; Brian P. Murphy, Reg. No. 34,986; and Bradley N. Ruben, Reg. No. 32,058.

SEND CORRESPONDENCE TO: DIRECT TELEPHONE CALLS TO:
Hopgood, Calimafde, Judlowe & Mondolino   Bradley N. Ruben
60 East 42nd Street   (212) 551-5000 X4081
New York, New York 10165

     I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

Full name of first joint inventor: **Bruce Bent**

Inventor's Signature_____ Date_____
Residence   _____Plandome NY_____
Citizenship   US

Full name of second joint inventor: **Bruce Bent II**

Inventor's Signature_____ Date_____
Residence   ____NY NY_____
Citizenship   US

CORRESPONDENCE ADDRESS FOR ALL INVENTORS:
The Reserve Funds, 810 Seventh Ave., 17th fl., New York, NY, 10019

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MONEY FUND BANKING SYSTEM WITH MULTIPLE BANKS AND/OR RATES

This application is a continuation-in-part of application serial no. 09/176,340, filed 21 October 1998, the entirety of which disclosure is incorporated herein by reference.

Background of the Invention

5   1. Field of the Invention.

This invention generally relates to the field of account transaction processing, and more specifically, an improved system for processing and administering a demand account or money market account in combination with an insured deposit account, and optionally where the accounts are distributed over a plurality of banking institutions.

10   2. The State of the Art.

The Federal Deposit Insurance Corporation ("FDIC") is a federal governmental entity that provides insurance for deposits in most banks and savings institutions in the United States. Bank deposits are insured by the FDIC's Bank Insurance Fund ("BIF") and savings institutions' deposits are insured by the FDIC's Savings Association Insurance Fund ("SAIF"). The rules governing insurance of deposits of institutions insured by the BIF and the SAIF are the same. The FDIC bases insurance coverage on the concept of ownership rights and capacities: funds held in different ownership categories are insured separately from each other; and funds owned by the same entity but held in different accounts are subsumed under the same insurance coverage. The amount of insurance coverage provided

20   to depositors of each institution insured by BIF and SAIF is the same: $100,000.00 to the owners(s) of the funds in the account(s), including principal and interest.

As disclosed in our prior application serial no. 09/176,340 referenced above, a system is provided for managing a plurality of demand accounts for multiple clients whose funds are held at a banking institution in a single insured deposit account. That system provides an

25   entity with the ability to deposit funds into a demand account from various sources, and to make payments from the demand account via different instruments, without the limitation as

to the number of transfers, and still earn interest on the funds in the clients' accounts because the funds are effectively maintained in a deposit account. Even with the above-mentioned innovative system, investors carrying amounts in excess of $100,000 in their accounts are disadvantaged because the FDIC insurance is limited to $100,000, so any amount over

5    $100,000 is not protected by FDIC insurance. It was with this realization that the present invention was made.

Objects and Summary of the Invention

One object of the present invention is to provide a system for managing a plurality of demand accounts for multiple clients whose funds are held at a banking institution in a single

10   insured deposit account.

Another object of the present invention to is provide a system for managing a plurality of demand accounts for multiple clients whose funds are held at one or more banking institutions in one or more single insured deposit accounts that, from the viewpoint of the investor, removes the $100,000 limitation of FDIC insurance for that individual investor.

15   Still a further object of the present invention is to provide a system for administering a plurality of accounts containing in excess of $100,000 and continue to qualify for FDIC insurance.

These and other objects are achieved by providing a system that administers individual client deposits to and withdrawals from each of their demand accounts. The

20   system includes a database having each client's information for each account administered. The system monitors the use of the funds from each account by selectively authorizing or rejecting each demand payment request for each account of a particular client. Periodically, net transaction information is determined from the sum of the demand account deposits and withdrawals. The net transaction information is used to determine whether to deposit funds

25   or to withdraw funds from a single deposit account to a client's demand account(s) while updating the database for each client's deposit and authorized demand payment. The system then determines whether each client's account contains more than a specified amount

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(*e.g.*, $90,000) and distributes any amounts over the specified amount into another account at a preselected banking institution.

In practice, when an investor's account balance exceeds $90,000 in any one account, the excess funds are automatically moved to a second deposit account at another preselected bank. The client will maintain one insured deposit clearance account while the multiple deposit accounts will be transparent to the investor. All transactions to and from the accounts will post to the investor's insured deposit account, although they may be debited from multiple deposit accounts held at various banks. At the time an Insured Deposit Account is opened, the investor is given the option to choose a preferred bank, to chose a list of preferred banks in a desired (or random) order of preference, and to exclude one or more banks. The system will debit and credit the multiple deposit accounts on the investor's behalf, and in the event that the investor does not preselect a bank, the system will automatically designate a bank or banks. The client may also select the order of preference for deposits and withdrawals. For example, if the investor opened his Insured Deposit Account with $170,000, he could also indicate that his assets should be invested in Bank A and Bank C. He may also indicate that bank C is preferred. In this example, $90,000 would be deposited into Bank C and $80,000 into Bank A. If a check were written or the investor chose to redeem funds directly, the withdrawals would be made from Bank A. Withdrawals would not be made from Bank C until all funds had been redeemed from Bank A. Similarly, if the investor chose Bank C as preferred and chose to exclude Bank B, then $90,000 would be deposited into Bank C and $80,000 into Bank A. The investor also can choose the deposit cap for each of multiple banks selected, or can specify deposit caps for default banks chosen by the system (*e.g.*, no bank to hold more than 40% of the inventor's funds). Of course, the investor can also specify that all funds be held in a single bank, even if the amount exceeds $100,000. The report the investor receives may refer to all of the assets and transactions in the investor's Insured Clearance Account (a single account), or the investor may be shown a report listing all of the sub-accounts (if any) where the funds are held and in which transactions occurred.

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The choice of Banks is held on the investor's account and the system will read the Bank indicator and determine which bank deposit account should be debited or credited. The system will automatically group together all transactions for each bank. At the end of the business day the deposit accounts at the various banks with be either debited or credited.

5   The debit or credit to the deposit account is the net transaction for all activity that occurred that day.

As a result of the present invention the investor earns interest on the balance in his Insured Deposit Account where the interest rate earned can be the same regardless of the bank(s) selected, or may vary depending on the banks selected, while continuing to qualify

10   his account funds for FDIC insurance.

Brief Description of the Drawings

In the drawings, in which like references characters designate like or corresponding parts throughout the several views, the view are:

FIG. 1A is a flowchart depicting processing steps the system follows at the administrator's end;

FIG. 1B is a flow chart depicting additional processing steps according to the present invention;

FIG. 2 is a flowchart depicting processing steps regarding the determination of a available funds according to the present invention; and

20   FIG. 3 is a flow chart depicting processing steps associated with the completion of the banking system process according to the present invention.

Detailed Description of Specific Embodiments

The present invention will be described with reference to an administrator, which can

25   be a brokerage firm, a bank, or another financial entity with which clients can institute financial transactions such as deposits and demand payments. The administrator appears to each client as if it were, at least in part, a bank, by accepting deposits for the client's accounts and by authorizing (and then making) payments demanded by the client from his or

her account. The funds for all of the clients are pooled into a single deposit account that is maintained as an insured deposit account at a licensed banking institution.

Referring to FIG. 1A, the financial entity 100, which may be a bank, a brokerage or another entity where financial transactions take place or can be facilitated, creates transaction files 101 which are transmitted to Reserve 105; Reserve (or the Reserve System) is the administrator or other entity in charge of administering at least one of the deposit accounts. New account files 102 can be transmitted to Reserve; a new investor account may need to be opened; a new account means organizing and coordinating information to service a new investor for the present system, even though that investor may already be a client of a financial entity 100 for other investment vehicles. A new account 102 becomes part of an existing bank deposit account 129 that collects earned income 130 which transfers the client's income to the client's accounts 131; of course at some time the deposit account must be established with clients' funds. The transaction files represent the addition of funds by check (such as drawn on another institution, or a different demand account from the same institution), wire or electronic transfer, ACH, credits (such as from a debit or credit card merchant), or a sweep from one of the client's other accounts. Accordingly, encompassed in the transaction file are deposits 103 and withdrawals 104. A "sweep" includes the automatic transfer of funds, such as the automated transfer of interest from one account into the client's account, as well as the automated transfer of funds out of the client's account (such as for payment of a securities trade); thus, a sweep may be from one of the client's accounts to another. The responsibility for maintaining the deposit account can be assigned by the administrator to a third party.

Referring now to FIG. 1B, the Reserve System 50 contains an insured deposit database 75 where a position file for debit/credit card users is created 132 and transmitted to a bank for a debit/credit card network 133 where the bank then updates the network 134. The system updates the data base 75 and processes transactions 106 (from 105, FIG. 1A) and opens a new account 107 where application and check deposits are processed 110. The bank preference 107A is the list of banks and the order of preference for deposits and withdrawals held on the account, including a list of banks to be excluded (if any), and the

maximum percentage and/or amount of funds to be held in each bank. The client's bank preference data is added to the account at 107B. If the client does not select values for any of these variables, the system can provide default values for the banks and their order at 107C sufficient for all of the client's funds. When possible the system will not assign a bank that is in the same state in which the client resides.

Referring to FIG. 2 it can be seen that when a deposit, either a check deposit 111, federal wire deposit 112, ACH deposit, sweep, or other deposit is credited to the client's account 108, the system will review where the existing funds of the accounts are deposited 108A. If the client's balance has reached the maximum allowable balance for the existing bank 108B, as shown in FIG. 3, the system will then select the next bank on the preference list attached to the account 108C. If the maximum allowable balance has not been reached in the existing bank, the system will credit the additional funds to that bank 108D.

Still referring to FIG. 2, the procedure for processing withdrawals can be seen. Various methods of withdrawing funds are debit withdrawal 109, processing debit or credit card transactions such as debit/credit card files 115, direct debit accounts 215, and processing of files 121. Processing of a debit/credit card file 115 utilizes data accumulated from debit/credit card transactions received from the banks 114. The processing of file 121 procedure utilizes one of various sources of data such as a check presented for payment 116, ACH debits 117, touch tone bill paying 118, and/or internet bill paying 119.

After processing the debit procedure, the system will review the bank preference list and select the appropriate bank to debit 125A. The system will sort all the daily transactions by the bank 125B (see FIG. 3). The activity for each bank will then be netted 126 and the appropriate deposit or withdrawals made.

The system will then determine whether funds are available 122, which function is also associated with other participant withdrawals 120. If the funds are available, the account is debited 225. If the funds are not available, however, the system determines whether a credit line is available 123. If a credit line is available, then funds are advanced 230 to cover the debit; if not the transaction is rejected 124.

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Referring to FIG. 3 , as previously stated the system determines whether the client's balance reaches its maximum 108B and if so the next bank on the list selected by the client is credited 108C.   If the maximum is not reached the existing bank is credited 108D. Information and activities associated with processed debits and credits of the client's accounts from 125A are sorted by the bank 125B and the net activity by the bank is determined 126.   The system then determines whether the deposits and credits were greater than the withdrawals and debits 240 and if so, the excess funds are deposited into a deposit account 127.   If the debits and withdrawals were greater than the credits the difference is redeemed from the deposit account 128.

Thus, by practicing this invention, the client is provided with FDIC insurance in excess of $ 100,000.00 because the client's holdings are maintained in multiple insured deposit accounts, which may be in multiple banks.

The foregoing description is meant to be illustrative and not limiting. Various changes., modifications, and additions may become apparent to the skilled artisan upon a perusal of this specification, and as such are meant to be within the scope and spirit of the invention as defined by the claims.

What is claimed is:

1.   A method for managing a plurality of demand accounts for multiple clients whose funds are held at a banking institution in one or more insured deposit accounts, effectively providing FDIC insurance greater than $ 100,000.00 for each client, comprising:

         providing a database having client information for each account;

         administering clients' deposits to and withdrawals from each of their demand accounts

         authorizing or rejecting the use of funds in a particular client's demand account for each demand payment requested from that client's account;

         determining the net transaction of the sum of the demand account deposits and withdrawals on a regular basis;

         using the determination of the net transaction to deposit funds to or withdraw funds from said one or more insured deposit accounts in which said client's funds are held to said clients' demand accounts;

         updating the database for each clients' deposit and authorized demand payment.

2.   The method of claim 1, further comprising the steps of:

determining whether each client's insured deposit account contains more than a specified amount; and

distributing any amounts over said specified amount into another insured deposit account at a preselected banking institution.

3.   The method of claim 1, wherein client's funds are deposited by at least one method selected from the group consisting of check, wire or electronic transfer, ACH, third party credits, and a sweep from one of the client's other accounts.

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1   4.   The method of claim 2, wherein the specified amount is $ 100,000.00.

1   5.   The method of claim 1, further comprising the step of determining a client's

2   preferences for the amount of funds to be held in each of multiple insured deposit accounts.

1   6.   A system for managing a plurality of demand accounts for multiple clients

2   whose funds are held at a banking institution in one or more insured deposit accounts to

3   provide FDIC insurance for each client having funds greater than $ 100,000.00 in insured

4   deposit accounts, comprising:

5   a database having client information for each demand account;

6   a device for administering clients' deposits to and withdrawals from each of

7   their demand accounts;

8   a device for authorizing or rejecting the use of funds in a particular client's

9   demand account to be used for each demand payment requested to be

10   paid drawn on funds from that client's demand account;

11   a device for determining the net transaction of the sum of the demand account

12   deposits and withdrawals on a regular periodic basis;

13   a comparison device for determining from the net transaction whether to

14   deposit funds to or withdraw funds from said one or more insured

15   deposit accounts;

16   a device for distributing interested earned on said deposit account among the

17   clients; and

18   a device for updating the database for each client's deposits and authorized

19   demand payments.

1   7.   The system of claim 6, wherein withdrawals are in the form of at least one type

2   selected from the group consisting of drafts (checks), credit card, debit card, sweeps,

3   electronic transfers, and combinations thereof.

1   8.   The system of claim 7, wherein deposits are in the form of least one type

2   selected from the group consisting of drafts (checks), sweeps, electronic transfers, and

combinations thereof.

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ABSTRACT

Providing interest to clients' deposited funds without limitation on the number of demand withdrawals from deposit accounts is accomplished by an administration system that keeps all of the records for the clients' deposits and withdrawals, calculates the total of the deposits and withdrawals for all clients, and uses the calculation to determine whether funds are deposited to or withdrawn from one or more deposit accounts in which all clients' deposit funds are kept. Clients can make unlimited withdrawals, such as by check, credit card, debit card, or electronic transfer, through the administrator. By placing the administrator as the holder of the deposit account(s), exemptions to the limitation on earning interest in demand accounts is facilitated; additionally, dispersing the deposit account funds among multiple banks allows the client to obtain FDIC insurance for all of the deposited funds, which may amount to insurance in excess of the statutory maximum allowed (presently $ 100,000.00).

FIG. 1A

FIG. 1B

RESERVE SYSTEM 50

INSURED DEPOSITS *DATA* BASE 75

CREATE POSITION FILE *DEBIT/CREDIT* CARD USERS 132

TRANSMIT FILE TO BANK FOR *CARD* NETWORK 133

BANK UPDATES *CARD* NETWORK 134

PROCESS *TRANSACTIONS* 106

from /105

OPEN NEW ACCOUNT 107

BANK *PREFERENCE* 107A

Chosen by Client

ASSIGN BANK PRIORITY 107B

None chosen

SYSTEM ASSIGNS BANK PRIORITY 107C

APPLICATION & CHECK DEPOSITS 110

to fig 2 block 108

FIG. 2

```
111  CHECK
     DEPOSITS ────────┐
                       │          from
112  FED WIRE          │          box
     DEPOSITS ─────────┤          107
                       │           │                                              108A
113  ACH              ▼▼          ▼                                    ┌──────────────────┐
     DEPOSITS ───────► ┌────────────────┐  108                         │  REVIEW BALANCE  │
                       │     CREDIT      │ ──────────────────────────► │  & SELECT BANK   │ ──────►
                       │    DEPOSITS     │                              └──────────────────┘    To
                       └────────────────┘                                                       Box
                              │                                                                 108B
                              ▼
                       ┌────────────────┐  109
                       │     DEBIT       │──────────┐
                       │   WITHDRAWAL    │           │
                       └────────────────┘           │
                              │                      │
114  ┌──────────────┐         ▼                      │
     │ DEBIT/CREDIT CARD│  ┌────────────────┐  115   │
     │ TRANSACTIONS  │──►│    PROCESS      │          │
     │ FILE REC'D FROM│   │ DEBIT/CREDIT CARD│────────┤
     │     BANK       │   │     FILE        │         │              125A
     └──────────────┘     └────────────────┘          ▼      ┌──────────────────┐
                              │                      ───────►│  SELECT BANK TO   │ ──────►
116  ┌──────────────┐         ▼                      ───────►│      DEBIT        │   to Box
     │   CHECKS      │   ┌────────────────┐  215             └──────────────────┘   125B
     │  PRESENTED    │   │     DEBIT       │ ─────────┘
     │ FOR PAYMENT   │─┐ │   ACCOUNTS      │
     └──────────────┘  │ └────────────────┘
117  ┌──────────────┐  │        │
     │     ACH       │  │        ▼
     │    DEBITS     │─┤  ┌────────────────┐  121
     └──────────────┘  │  │    PROCESS      │──────────┐
118  ┌──────────────┐  │  │     FILE        │
     │ TOUCH TONE    │──┼─►└────────────────┘
     │ BILL PAYING   │  │        │
     └──────────────┘  │        ▼
119  ┌──────────────┐  │                122               123            124
     │ INTERNET BILL │──┘     ╱╲                ╱╲            ┌──────────┐
     │   PAYING      │       ╱   ╲    No       ╱   ╲    No    │  REJECT  │
     └──────────────┘      ╱FUNDS ╲ ──────► ╱CREDIT ╲ ──────►│  CHECK   │
                           ╲AVAILABLE╱       ╲  LINE  ╱       └──────────┘
120  ┌──────────────┐      ╲      ╱          ╲AVAILABLE╱
     │ PARTICIPANT   │──────►╲    ╱            ╲      ╱
     │ WITHDRAWALS   │        ╲  ╱              ╲    ╱
     └──────────────┘          ╲╱                ╲  ╱
                             Yes│                Yes│
                                ▼                   ▼
                       ┌──────────────┐      ┌──────────────┐
                       │    DEBIT     │ 225  │   ADVANCE    │ 230
                       │   ACCOUNT    │      │    FUNDS     │
                       └──────────────┘      └──────────────┘
```

FIG. 3

from box 108A →

108B
MAX REACHED

— YES → 108C CREDIT NEXT BANK ON PRIORITY LIST

— No ↓

108D CREDIT EXISTING BANK

from box 125A →

125B SORT ACTIVITY BY BANK

→ 126 NET ACTIVITY BY BANK

↓

240 PURCHASE GREATER

— Yes → 128 REDEEM FUNDS FROM DEPOSIT ACCOUNT
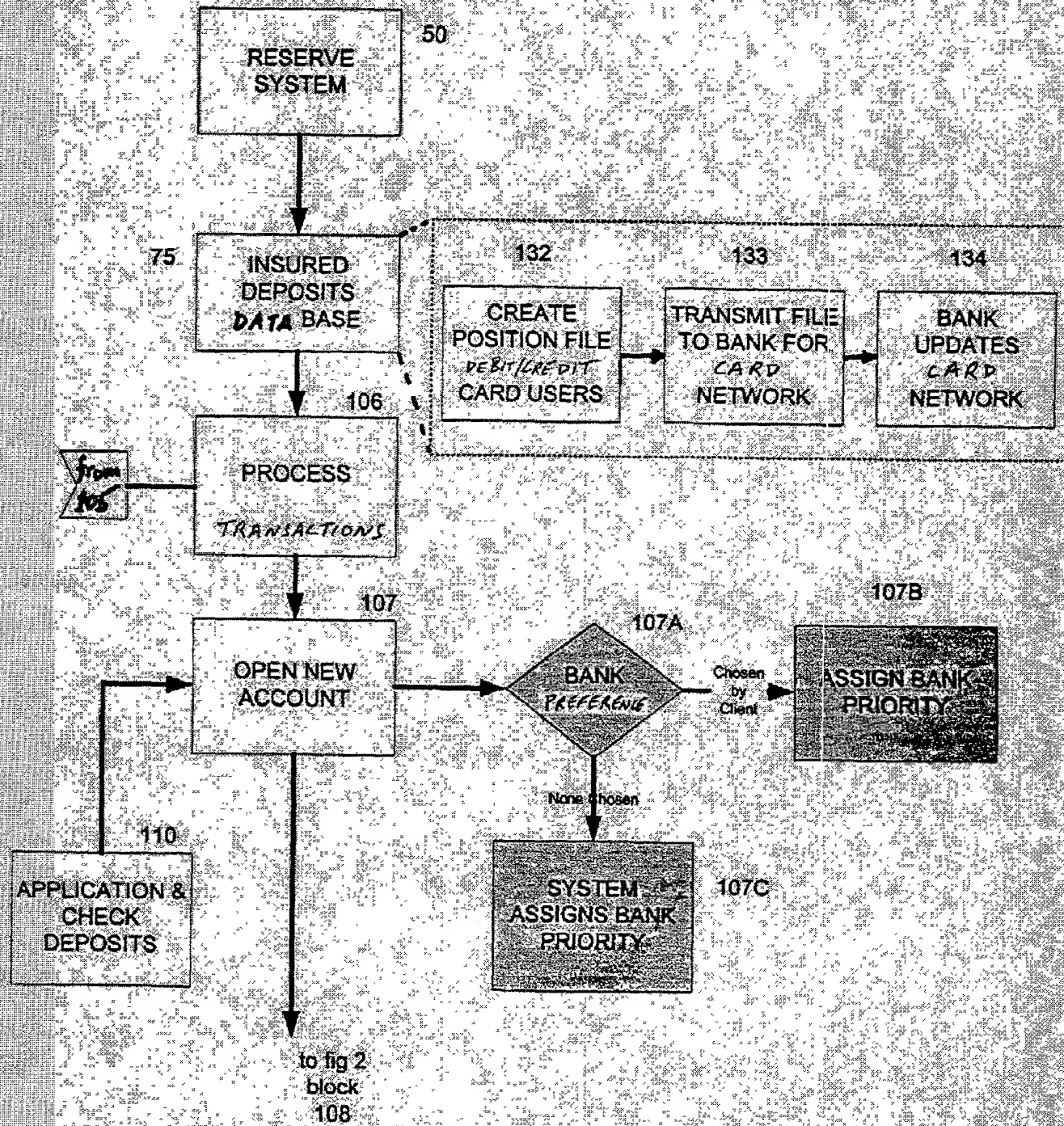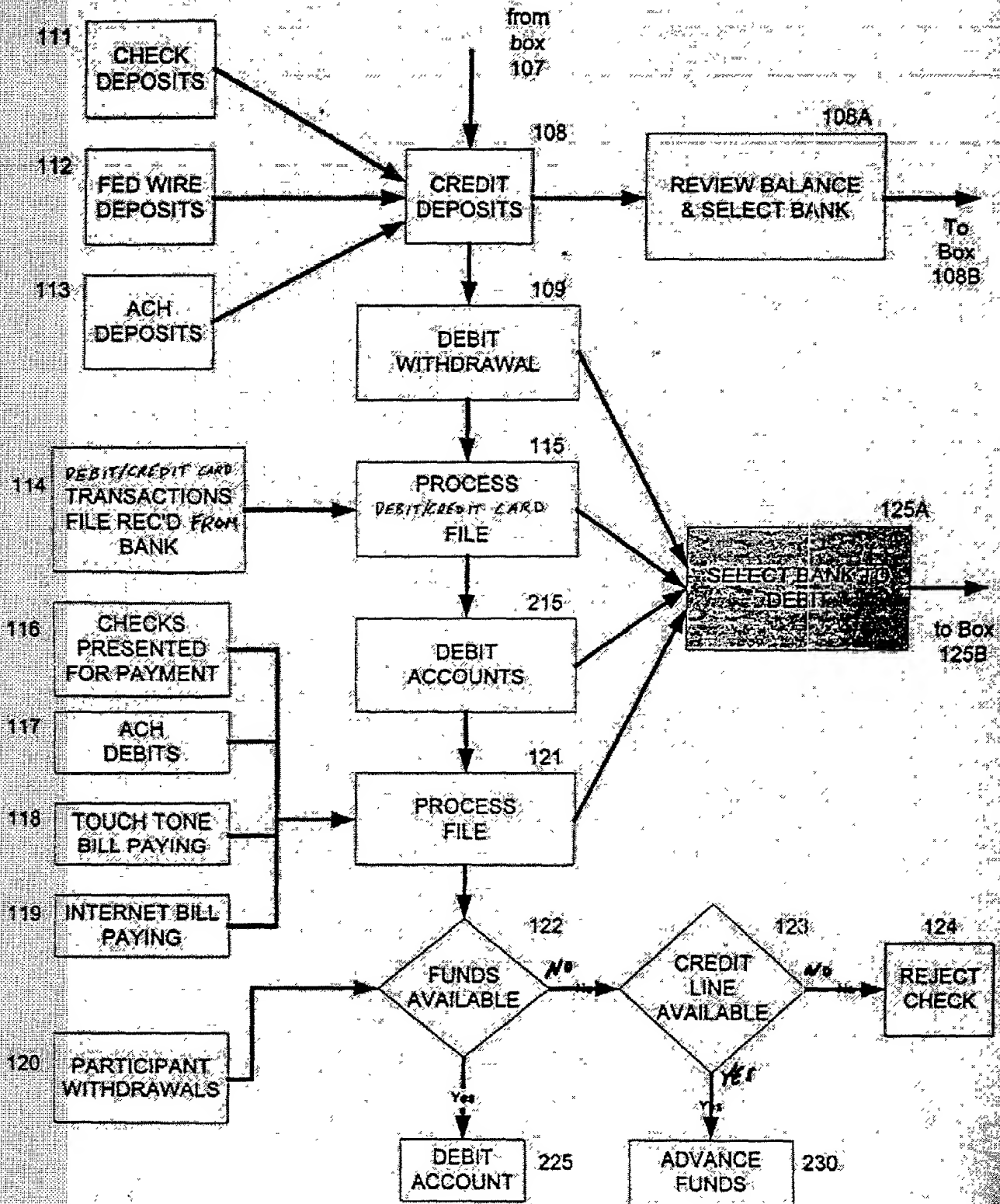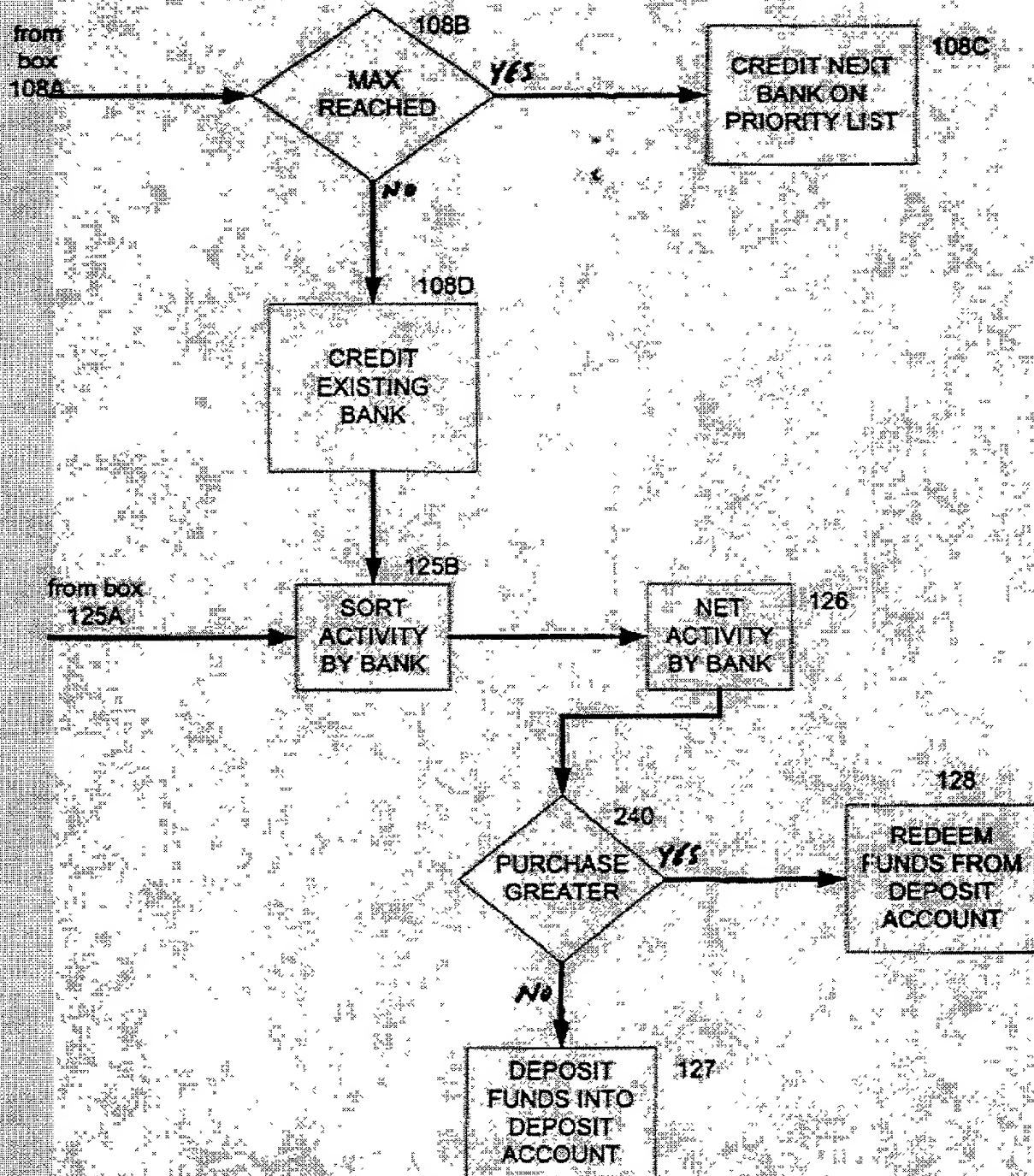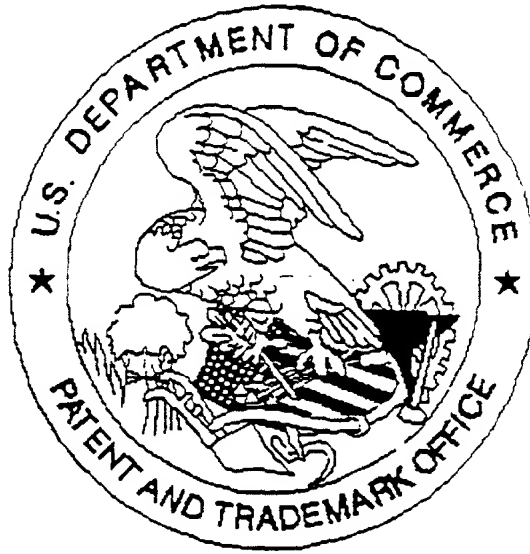
— No ↓

127 DEPOSIT FUNDS INTO DEPOSIT ACCOUNT

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